



AGENDA REPORT

City of Santa Clara, California



DATE: August 27, 2008

TO: City Manager for Council Action

FROM: Director of Finance

SUBJECT: Amendment No. 1 to the Agreement with Vavrinek, Trine, Day & Co., LLP
for Financial Audit Services

EXECUTIVE SUMMARY:

In April 2006, Council approved an agreement for services with Vavrinek, Trine, Day & Co., LLP (VTD) for the City's annual external audit. In 2007, the American Institute of Certified Public Accountants (AICPA) issued new Statements on Auditing Standards that will require additional audit work in order to complete the audit of the City's Comprehensive Annual Financial Report (CAFR). Staff has placed a copy of the Amendment No. 1 to the Agreement with Vavrinek, Trine, Day & Co., LLP for Financial Audit Services in the Council Offices for review.

ADVANTAGES & DISADVANTAGES OF ISSUE:

Approval of Amendment No. 1 to the contract with Vavrinek, Trine, Day & Co., LLP will assure that the City's annual financial audit will be performed in accordance with the latest auditing standards. The disadvantage is that it will cost slightly more.

ECONOMIC / FISCAL IMPACT:

Amendment No. 1 increases the cost of the external financial audit in the fiscal year ending June 30, 2008 by \$7,000 to \$180,100 for a not to exceed amount for the five year contract of \$888,100. Appropriations are available for the FY0809 audit in the Contractual Services accounts in the General Fund, the Redevelopment Agency, Sports and Open Space Authority, and the City's Utility funds. The cost for future contract years will be included in the annual budget submissions.

STAFF RECOMMENDATION:

That the City Council

1. Approve and authorize the City Manager to execute Amendment No 1 to the Agreement with Vavrinek, Trine, Day & Co., LLP to increase the contract amount by \$7,000 to a total not-to exceed amount of \$888,100 for financial audit services, and.
2. Authorize the City Manager to execute future engagement letters and other documents related to the Agreement.

Certified as to availability of Funds: *or*
him

001-1043-87870 \$7,000.00

MARY ANN PARROT

Mary Ann Parrot
Director of Finance

MARY ANN PARROT

Mary Ann Parrot
Director of Finance

APPROVED BY:

MAJORITY VOTE OF COUNCIL

JENNIFER SPARACINO
Jennifer Sparacino
City Manager

Documents Related to this report:

- 1) Amendment No. 1 to the Agreement for Financial Audit Services with Vavrinek, Trine, Day & Co., LLP

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CITY OF SANTA CLARA
AGENDA MATERIAL ROUTE SHEET

Council Date: 09/16/08

SUBJECT: Amendment No. 1 to the Agreement for Financial Audit Services with Vavrinek, Trine, Day & Co., LLP

CERTIFICATION

The proposed amendment no. 1 to the agreement with Vavrinek, Trine, Day & Co., LLP
Regarding financial audit services
has been reviewed and is hereby certified.

PUBLICATION REQUIRED:

The attached Notice/Resolution/Ordinance is to be published _____ time(s) at least _____ days before the
scheduled meeting/public hearing/bid opening/etc., which is scheduled for _____, 200__.

AUTHORITY SOURCE FOR PUBLICATION REQUIREMENT:

Federal Codes:

Title _____ U.S.C. § _____
(Titles run 1 through 50)

California Codes:

Code _____ § _____
(i.e., Government, Street and Highway, Public Resources)

Federal Regulations:

Title _____ C.F.R. § _____
(Titles run 1 through 50)

California Regulations:

Title _____ California Code of Regulations § _____
(Titles run 1 through 28)

City

City Charter § _____ (i.e., 1310. Public Works Contracts. Notice published at least once at least ten days before bid opening)

City Code § _____

1. As to City Functions, by

MAPINA
Department Head

2. As to Legality, by

Julia H
City Attorney's Office / CAO Assignment No 08. 129

3. As to Environmental
Impact Requirements, by

Director of Planning and Inspection

4. As to Substance, by

J. Sparacino
City Manager

Revision Date June 7, 2005